DeMaio, Barbara

From: Margherita Giuliano [MGiuliano@ctpharmacists.org]
Sent: Tuesday, March 16, 2010 3:41 PM
To: DeMaio, Barbara
Subject: Bill No. 68

Dear Barbara,

CPA does not have a problem with the technical changes made in Bill 68. We also do not have a problem with adding two people to the P & T committee.

Thank you for clarifying my testimony on this issue.

Regards,
Marghie Giuliano

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CPA CONNECTICUT PHARMACISTS ASSOCIATION

Testimony before the Human Services Committee
February 23, 2010

Re: Raised Bill No. 68: AAC The Department of Social Services' and Recommended Changes to the Medical Assistance and Pharmacy Statutes

Re: Raised Bill No. 32: AA Implementing the Governor's Budget Concerning Social Services

Good afternoon Senator Doyle and Representative Walker My name is Margherita Giuliano. I am a pharmacist and Executive Vice President of the Connecticut Pharmacists Association. The Connecticut Pharmacists Association is a professional organization representing close to 1000 pharmacists in the state.

I am here today to address **Raised Bill No. 68**: AAC The Department of Social Services' and Recommended Changes to the Medical Assistance and Pharmacy Statutes and **RB No 32** AA Implementing the Governor's Budget Concerning Social Services. The proposed budget cuts to the pharmacies in our state again create a significant challenge – especially to the small independent pharmacies. Pharmacists have worked with DSS and state legislators over the past twenty years to identify programs that help save the state money. Last year alone, members of CPA identified almost $40 million in savings and as in years past, many of our ideas were implemented but none of those savings were returned to the pharmacies. Instead, we were penalized with a cut to our dispensing fee and a decrease to AWP – even after the savings we brought to the table were brought in "good faith" to keep our AWP whole.

We have dealt in good faith with the legislature and DSS but we have not been treated fairly. We continue to be an easy target that you continuously hammer. Even when the state had a budget surplus our fees were not increased! We have not received an increase in reimbursement since 1989! I challenge you to find one other Medicaid provider who has been treated as poorly as pharmacists have been.

The Governor's budget hits pharmacy broad and deep.

- Specifically the proposal to implement co-pays to our most indigent citizens will not work. The state tried this twice before and it failed each time. These patients can't afford the co-pays and Medicaid advocates will do a good job on enlightening their clients to the fact that pharmacies are not allowed to deny service if co-pays are not rendered. Pharmacies might just as well write a $20.00 check to the state each month for their Medicaid clients. (Section 34)
- Removing coverage of OTC drugs will increase the prescriptions for OTC alternatives. Again, the administration is being short sighted as it is less expensive to pay for the OTCs. (Section 31)
- Since the administration couldn't further decrease our MAC reimbursement without legislative approval as was attempted in January – it is now part of the budget proposal. We are being asked to take another 5% reduction. Again, these cuts are not long term solutions. They never have been.

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- The dual eligible patients will already see an increase in their copays from $15 to $20 per month. (Section 35)
- We support moving the mental health drugs to the preferred drug list. We can use our clinical skills to help both patients and prescribers navigate through the process. (Section 33)

I would like to speak specifically to the following issues:

AWP will cease to exist by September 2011:
AWP will no longer be published as of September 2011. The NASMD has issued a white paper providing an analysis for a new federal benchmark of reimbursement for pharmacy.
Key finding urge states to make a determination regarding this benchmark soon. To quote:
"Immediate action is necessary – With less than two years available before the disappearance of AWP, every effort must be made to accelerate progress toward a solution -- especially considering the host of necessary changes to statute, regulation, IT systems, contractual relations and reporting procedures. To meet the two year timetable, the states, CMS, providers and all other stakeholders must immediately begin working cooperatively and diligently toward the implementation of a new benchmark."
Clearly this cannot wait.
Transitioning to a **Wholesale Acquisition Cost** reimbursement is a good interim solution. We have urged the legislature to move to a WAC reimbursement. We will continue our dialog with the Appropriations Committee.

The trend to get reimbursement to Actual Acquisition Cost is understandable. However, with a move to AAC dispensing fees must move to reflect the Actual Cost of Dispensing. If you continue to ask pharmacies to assist with implementing all these cost-saving plus care for this vulnerable population – we need to be paid properly. We have to be profitable to stay in business.

This clearly is a complex issue – hence why we need discussion now. I urge you to start to address a new reimbursement methodology for pharmacy.

Differential Dispensing Fee
We also think that pharmacies that are providing extra services and quality care should be reimbursed more money than those that are providing minimum services. This precedent is already set in Section 7 (b) which provides for enhanced dispensing fees for pharmacies that are enrolled in the 340b drug discount program. The pharmacies that are doing special packaging for Medicaid clients that keep them out of the hospital and living independently should be paid more. The pharmacies that employ drivers to deliver to clients in their homes should be paid more. If pharmacy services are avoiding additional costs, the pharmacies should be paid.

Implement Medication Therapy Management Services
For years I have asked you to think outside the box and spend some money to improve the quality of care for any recipient of benefits under a medical assistance program administered by DSS. Study after study has shown that when pharmacists are actually involved in managing patient's medications, we have a positive impact on total healthcare costs. Early results from the project we are doing with the Medicaid patients through the Medicaid Transformation Grant have shown great savings! It is time to partner with pharmacists to provide clinical care that will improve the quality of life for all recipients

of DSS administered programs. The savings should then be used to pay our pharmacies properly so they can continue to take care of this vulnerable population. Including pharmacists in the medical home model or in the primary care case management pilot would be a great start.

Last year the Federal Government gave Connecticut millions of dollars that was supposed to be used for Medicaid. Of course the money went to plug the budget deficit. The Federal government is going to give the states more money this year – again for Medicaid. I would hope we use this funding appropriately.

Don't continue to cut reimbursements to those who have consistently worked with you to develop creative programs. Instead, use our expertise in creating new ways to realize long-term savings through projects that are sustainable.
We look forward to the continued dialogue.